

International Complaints Handling at Lloyd's: Australia

<p>Definition of a complaint</p>	<p>General Insurance Code of Practice (GICOP): <i>An expression of dissatisfaction made to us, related to our products or services, our staff or the handling of a complaint, where a response or resolution is explicitly or implicitly expected. A complaint also includes such expressions of dissatisfaction made about us on a social media channel or account owned or controlled by us, where the person making the complaint is both identifiable and contactable.</i></p> <p>ASIC Regulatory Guide 271 (RG271): <i>An expression of dissatisfaction to or about an organization, related to its products, services, staff or the handling of a complaint, where a response or resolution is explicitly or implicitly expected or legally required.</i></p>
<p>Definition of a complainant</p>	<p>RG271: A person or small business. It includes, at a minimum “an individual consumer or guarantor” and a ‘small business’ as defined by s761G of the Corporations Act.</p> <p>In addition, the Australian Financial Complaints Authority (AFCA) has jurisdiction to review complaints from the following:</p> <ul style="list-style-type: none"> a) an individual or individuals (including those acting as a trustee, legal personal representative or otherwise); b) a partnership comprising of individuals – if the partnership carries on a business, the business must be a Small Business; c) the corporate trustee of a self-managed superannuation fund or a family trust – if the trust carries on a business, the business must be a Small Business; d) a Small Business (whether a sole trader or constituted as a company, partnership, trust or otherwise); e) a club or incorporated association – if the club or incorporated association carries on a business, the business must be a Small Business; f) a not-for-profit organisation or club – if it carries on a business, the business must be a Small Business unless the not-for-profit organisation or club is also a charity registered with the Australian Charities and Not-for-Profits Commission; g) a body corporate of a strata title or company title building which is wholly occupied for residential or Small Business purposes; or h) the policy holder of a group life or group general insurance policy, where the complaint relates to the payment of benefits under that policy. <p>In relation to:</p> <ul style="list-style-type: none"> (i) Retail General Insurance Policy (i.e. home, motor, sickness & accident, travel and personal and domestic property, including valuables, pleasurecraft, caravans, fine art, farm etc; (ii) Residential Strata Title Insurance Product; and (iii) Small Business Insurance Product, defined by the Rules (currently excluding cover in relation to

	<p>Contractors All Risks, Fidelity Guarantee, Legal Liability, Professional Indemnity and Industrial Special Risks).</p> <p>NB Small Business means a business employing under 100 employees.</p>
<p>Application of Lloyd's procedure and local complaint regulations</p>	<p>All Australian Coverholders and DCAs are required to meet the complaint handling standards set under GICOP and RG271. All open market business or business written by Overseas Coverholders will still be required to adhere to the Australian complaint process where the AFCA jurisdiction to review the dispute (as detailed above). All other matters will be referred to Lloyd's Complaints team in the UK for review if they fall within the jurisdiction of the UK FOS.</p>
<p>Timescale</p>	<p>Lloyd's operates a two-stage process in Australia.</p> <p>For clarity, the day a complaint is received is known as Day Zero.</p> <p>Accordingly, if counting calendar days, 1 Calendar Day means the calendar day after the complaint is received. Similarly, 1 Business Day means the business day after the complaint is received.</p> <p>Regardless of where in the process the complaint sits, the following timescale applies:</p> <p>Day Zero – Complaint received</p> <p>1 Business Day – Complaint acknowledged, and the complainant provided the name and contact details of the person reviewing the complaint</p> <p>5 Business Days – Managing Agent notifies Lloyd's of the complaint's receipt, in accordance with the notification process outlined in the Guidance for Managing Agents</p> <p>10 Business Days – Stage One review due and, if not completed, escalated to Lloyd's Australia, unless entity reviewing complaint requests extension from Lloyd's Australia, via IDRAustralia@lloyds.com, and provides update to the complainant; Managing Agent notifies Lloyd's of the outcome, in accordance with the notification process outlined in the Guidance for Managing Agents within 2 Business Days of the outcome</p> <p>At Least Every 10 Business Days – Entity reviewing complaint provides update to the complainant, unless otherwise agreed</p> <p>By 30 Calendar Days – Final decision due and, if not complete, written update provided to the complainant, including reasons for the delay, right to refer complaint to AFCA and AFCA contact details</p> <p>Stage One</p> <p>The Managing Agent or their representative, ie Coverholder or DCA, has 10 business days to attempt to resolve the complaint.</p> <p>Within 1 business day, the complaint will be acknowledged and the complainant will be provided the name and contact details of the person reviewing the complaint, using the 'Acknowledgement Letter Template'.</p>

Within 5 business days, the Managing Agent notifies Lloyd's of the complaint's receipt, in accordance with the notification process outlined in the [Guidance for Managing Agents](#)

If the complaint is resolved to the customer's satisfaction at Stage One, the complainant is provided written confirmation of the outcome, using the 'Resolution Letter Template'. Managing Agent notifies Lloyd's of the outcome, in accordance with the notification process outlined in the [Guidance for Managing Agents](#) within **2 Business Days** of the outcome.

NB If the Stage One review resolves the complaint within 5 business days, a letter does not need to be sent to the complainant, unless:

- The complainant requests it; or
- The complaint relates to a claim denial, the value of a claim or financial hardship.

If the complainant remains dissatisfied following the outcome of the Stage One review, no decision letter is issued. Instead, the complainant is informed that the matter will be reviewed further by Lloyd's, using the 'Advice of Escalation to Stage 2' template. The complaint is automatically escalated to Stage Two with the completed 'Stage 2 Escalation Template' to Lloyd's Australia IDR.

The Managing Agent notifies Lloyd's of the outcome, in accordance with the notification process outlined in the [Guidance for Managing Agents](#) within **2 Business Days** of the outcome. The complete file is provided to Lloyd's Australia, within 2 business days.

If the Stage One review cannot be completed within 10 business days and no extension from Lloyd's is sought, the case is escalated to Lloyd's, using the 'Stage 2 Escalation Template'. The complainant is informed that the matter will be reviewed further by Lloyd's, using the 'Advice of Escalation to Stage 2' template. The Managing Agent notifies Lloyd's of the auto-escalation, in accordance with the notification process outlined in the [Guidance for Managing Agents](#) within **2 Business Days** of the outcome. The complete file is provided to Lloyd's Australia, within 2 business days.

An extension may be sought from Lloyd's Australia, using the 'Review Extension Request' template. If granted, the complainant must be provided an update and then a further updates every 10 business days (unless by explicit agreement), using the '10-Business Day Update'. The '30-Calendar Day Notification' is provided, as necessary.

Stage Two

Lloyd's Australia will review the complaint within 10 business days.

Within 1 business day, the complaint will be acknowledged and the complainant provided the name and contact details of the person reviewing the complaint, using the 'Complaint Acknowledgement (Stage 2)' template.

Within 2 business days, the complaint will be recorded.

	<p>The Stage Two reviewer will provide a written decision, using the 'Final Decision Letter (Stage 2)' template, which will:</p> <ul style="list-style-type: none"> • Detail reasons for the decision • Inform the complainant of the right to refer to AFCA • Include AFCA contact details and the timeframe <p>If the Stage Two review cannot be completed within 10 business days, the complainant must be provided an update and then a further updates every 10 business days (unless by explicit agreement), using the '10-Business Day Update' and '30-Calendar Day Notification' templates, as appropriate.</p>
External Dispute Resolution (EDR) scheme and eligibility	<p>In addition to the above definition of complainant, AFCA will additionally consider complaints made against an insurer by another person in relation to property loss caused by the impact of a motor vehicle property (uninsured third-party complaints). The determination of third party disputes is limited to disputed amounts of AUD16,300 or less. For all other matters, the value of the claim is dispute cannot exceed AUD1,085,000. Maximum remedy available AUD542,500.</p>
Local Regulatory Reporting Requirements	<p>Lloyd's Australia and Australian Coverholders and DCAs are required to report complaint numbers by class, type and outcome at the end of each Australian financial year as part of their Code obligations. Australian Financial Services Licence (AFSL) holders are also required to report complaint data twice-yearly to ASIC as part of their RG271 reporting obligations.</p>
Lloyd's Complaint Notice	<p>The required complaints notices for Australian coverholders are incorporated within LMA3160 and LMA5544. The complaints notices for open market business and overseas coverholder business are LMA3161 and LMA5545. These are published on the Lloyd's Wordings repository and referenced in the Pre-contractual notification and Insurance documents sections of Crystal.</p>

Effective: 1 January 2023